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FM AMEMBASSY PRETORIA  
TO SECSTATE WASHDC IMMEDIATE 5517  
INFO USMISSION GENEVA IMMEDIATE  
USMISSION UNVIE VIENNA IMMEDIATE  
SECDEF WASHDC IMMEDIATE  
CIA WASHINGTON DC IMMEDIATE  
DIA WASHINGTON DC IMMEDIATE

S E C R E T PRETORIA 001900

DEPT FOR AF/C, ISN/MTR

E.O. 12958: DECL: 08/26/2018  
TAGS: [IR](#) [MTCRE](#) [PARM](#) [PREL](#) [SF](#)

SUBJECT: IRANIAN EFFORTS TO PROCURE STEEL: SOUTH AFRICAN  
FIRM WITHDRAWS FROM TRANSACTION

REF: A. STATE 067405  
[1](#)B. PRETORIA 1618

Classified By: CLASSIFIED BY CDA RAYMOND L. BROWN FOR REASONS 1.4 B AND  
D

[1](#)1. (S) Summary: South African authorities notified us that, based on reftel advisory, South African firm Columbus Stainless (pty) Ltd. had withdrawn from an agent-arranged transaction with Iran's Shahid Hemmat Industrial Group. Columbus also assured the SAG that it would take additional measures to verify the end-users of non-control list products procured through agents. End summary.

[1](#)2. (S) South African Department of Foreign Affairs (DFA) Deputy Director for Nonproliferation Michiel Combrink met with PolCouns and his deputy on August 25 to provide a follow-up response to our July 9 demarche (Ref B) on Iran's Shahid Hemmat Industrial Group's purchase of steel produced by the South African firm Columbus Stainless (Pty) Ltd. Combrink and South African Department of Trade and Industry Director DJ Van Beek reviewed SAG standard procedures for responding to USG alerts (Ref B), stressing SAG discretion in handling advisories that are not linked to UNSC or other international control regimes.

[1](#)3. (S) Noting that our Ref A request does not pertain to an international control regime, Combrink said that the SAG had nonetheless advised Columbus that its product was likely to be used to support Iran's ballistic missile development. Combrink said Columbus had argued that its steel has a wide range of possible uses, but admitted it had been selling to agents, rather than to other companies, and could not positively confirm what the end-use of its product would be. As a result of the SAG intervention, Columbus reportedly withdrew from the transaction in question and assured South African authorities that it would take additional measures to ensure that its products are not linked to proliferation activities.

[1](#)4. (S) Comment: Combrink did not specify what additional measures Columbus planned to implement to ensure that non-control list items procured through agents are not misused. Regulating the activities of agents and intermediaries will be a challenge for already-stretched SAG regulators. End comment.  
BROWN

NNNN

End Cable Text